

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

NO. 5:08cr116-FL

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL INFORMATION
	)	
JAMES O. McLAMB, JR.	)	

The United States Attorney charges:

Introduction

1. The Castleton Group (Castleton) was a Professional Employer Organization (PEO) based in Raleigh, North Carolina with over 125 clients servicing employee accounts for over 3,500 individuals.

2. James O. McLamb, Jr. (McLAMB) was, at times relevant herein, either Chief Financial Officer (CFO) or Chief Operating Officer (COO) for Castleton. Defendant McLamb was in part involved in the supervision of the preparation of tax returns and reports and in the payment of taxes for Castleton.

3. Mr. McLamb supervised the work of other individuals, known to the United States Attorney, and reported his activities to other employees and owners of Castleton on a regular basis.

Conspiracy

[18 U.S.C. § 371 - Tax Conspiracy]

1. From in or about January, 2005 through in or about January, 2008, within the Eastern District of North Carolina, and elsewhere, the defendant, JAMES O. McLAMB, JR., did unlawfully,

willfully, and knowingly conspire and agree together and with other persons known and unknown to the United States Attorney to defraud the United States and an agency thereof, to wit, the Internal Revenue Service ("IRS") of the United States Department of Treasury, by impeding, impairing, obstructing and defeating the lawful functions of the IRS in the ascertainment, evaluation, computation, assessment, and collection of income taxes.

Manner and Means

2. The manner and means by which the conspiracy was carried out included, among others, the following:

A. Defendant and others would and did collect and withhold federal taxes from individual employers on behalf of employees;

B. Defendant and others would and did prepare false and fraudulent documents to mislead the IRS; and

C. Defendant and others would and did cause Castleton to fail to make the payments of federal taxes to the Internal Revenue Service, Department of Treasury as required.

Overt Acts

3. In furtherance of the conspiracy, and to accomplish the objects thereof, the defendants and co-conspirators committed the following overt acts, among others, in the Eastern District of North Carolina and elsewhere:

A. On or about January 31, 2007, McLAMB filed or caused

to be filed a false IRS Form 941 in the named of Castleton Affiliates LLC also known as The Castleton Group Inc.

B. On or about April 30, 2007, McLAMB filed or caused to be filed a false IRS Form 941 in the named of Castleton Affiliates LLC also known as The Castleton Group Inc.

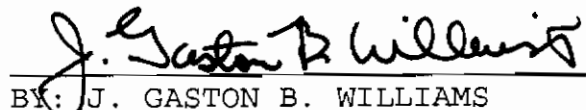
C. On or about July 31, 2007, 2007 McLAMB filed or caused to be filed a false IRS Form 941 in the named of Castleton Affiliates LLC also known as The Castleton Group Inc.

D. On or about October 31, 2007, McLAMB filed or caused to be filed a false IRS Form 941 in the named of Castleton Affiliates LLC also known as The Castleton Group Inc.

All in violation of Title 18, United States Code, Section 371.

DATE: \_\_\_\_\_

GEORGE E. B. HOLDING  
United States Attorney

  
BY: J. GASTON B. WILLIAMS  
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